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SUBJECT: INGA

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¶1. (U) Summary. African Ministers of Energy, civil engineers, and banking representatives attended a meeting hosted by the World Energy Council in London April 21-22 to discuss refurbishment of the Inga I and Inga II dams, the development of the Inga III hydroelectric power plant, and the larger Grand Inga project. Inga I and Inga II are still in need of much rehabilitation, and Inga III is the next step in the USD 80 billion Grand Inga project. The DRC faces chronic shortages in electricity (reftel), but much of the potential output would be exported to southern African countries. Critics note that the vast majority of the Congolese people still lack electricity but that the Grand Inga project will bypass their needs. End Summary.

Potential to Light up Southern Africa  
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¶2. (U) The World Energy Council invited governments, industry experts, and financial institutions to London for a meeting on April 21-22 to discuss the DRC Grand Inga project. The Inga hydro-electric power projects are located on the Congo River 25 miles north of the Matadi port in Bas-Congo province. Inga I and II power plants are working well below capacity, but the mining industry and urban areas all over Africa are already looking to the development of the Inga III plant to meet demand. The Grand Inga project will take decades and approximately USD 80 billion to complete, but it would produce up to 45,000 MW of hydroelectric power, twice that of the Three Gorges dam in China.

¶3. (U) Part of the USD 80 billion Grand Inga price tag includes the USD 5.5 billion required to build the Inga III hydroelectric facility, and the World Bank is already funding the partial rehabilitation of the Inga I and II plants. Inga I has six turbines and a potential for 380 MW, but only one turbine is currently working. Inga II has eight turbines with a potential 1,440 MW output, but only two of those are functional. Inga III, if it is constructed according to the parameters of Canadian SNC Lavalin's feasibility study, will produce an estimated 4,000 MW of power by 2015 at the earliest.

¶4. (U) Some of the additional power produced would alleviate the severe shortages in the DRC, but much would be sold to other countries and exported via high-voltage transmission lines. If and when Grand Inga is completed, it will export power to the Central African Power Pool (CAPP), the Southern African Power Pool (SAPP), and possibly even to Europe. The GDRC electricity parastatal, SNEL, already exports electricity across the river to Brazzaville in the Republic of Congo, and to the Zambian network, which reaches Zimbabwe and South Africa.

¶5. (U) SNEL lacked the substantial funding necessary to rehabilitate the existing Inga turbines until the World Bank stepped in, and the

Grand Inga project has been in the planning stages for decades. Experts at the London meeting pointed to a confluence of relative peace in the region and the prevailing electricity crisis in South Africa as reason to be optimistic about near-term progress.

Another Resource Curse?

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¶6. (U) Critics have pointed out that while the Inga I, II, and III power plants require no additional damming, the Grand Inga project would require a dam that would displace an estimated 8,000 people. Some NGOs have called for more civil society participation in the planning phases, and argue that the project's benefits will ignore the needs the local DRC population. In fact, SNEL officials told EconOff that they currently have no plans for any rural electrification projects.

¶7. (U) There is the possibility that the Grand Inga project could become another white elephant for the DRC, but financial investment in the project will ultimately depend on its profitability. For example, the Inga III project is being financed in part by BHP Billiton due to its plans for a new aluminum smelter in the Bas-Congo province requiring 1,700 MW of Inga III's capacity. Critics also caution that the Grand Inga project would adversely affect ecosystems and potentially burden the DRC with additional debt that it cannot afford.

¶8. (SBU) Comment. The Grand Inga scheme is a long way from getting underway, but the recent upsurge in demand across African urban and industrial centers has pushed at least Inga III into the realm of financial consideration. The massive costs could be well worth it

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if corruption and misspending do not derail the larger project. Financial backers may have little or no interest in providing transmission lines to the local populations until the demand of the more profitable sectors can be met, but the GDRC needs to consider carefully the needs of the population of Kinshasa and volatile Bas-Congo province, as well as that of the rest of the un-electrified DRC. End Comment.

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